

THE CONNECTION

A QUARTERLY PUBLICATION FROM THE ACCOUNTING DIVISION OF WASHINGTON STATE'S OFFICE OF FINANCIAL MANAGEMENT

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If you have questions or comments on any information contained in *The Connection*, please contact Vivian Pendleton at (360) 664-7654 or email: vivian.pendleton@ofm.wa.gov

For additional information about the approval process, please contact Susan Dodson at susan.dodson@ofm.wa.gov or 360 664-7689, or visit our website at <http://www.ofm.wa.gov/systemsapproval/home.htm>.

New TVS Features

Something for Everyone

The Travel Voucher System's (TVS) new release in January 2003 included additional features for everyone.

Travelers have the option to include taxable meal information and warning flags when you print a travel voucher. An adjustment button was added which allows you to adjust your reimbursement amount when needed.

Manager/Supervisors can print or export a list of travel vouchers into Excel or Word for further analysis and review.

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Approaching Systems Differently

With the new Systems Approval Process

The new *Systems Approval Process* became effective on November 1, 2002, with an announcement by the Office of Financial Management (OFM) and Information Services Board/Department of Information Services (DIS). Since then, OFM and DIS have worked with ten agencies on sixteen proposals.

The process is used to review/approve proposed investments in financial and administrative systems. The emphasis is on seeking enterprise-wide systems solutions rather than agency-unique ones.

Some of the benefits of using this approach will be:

- Better systems, with lower maintenance costs, available to more agencies,
- Fewer redundant systems and their associated costs, and
- The opportunity to solve our common business problems together.

If your agency is researching and/or planning to install a new system or modify an existing one, we encourage you to:

1. Involve both DIS and OFM *very early* in your planning process,
2. Ask either your OFM Financial or DIS Technical Consultant to arrange a joint meeting with DIS and OFM before you fill out any forms for large projects,
3. Complete the forms and submit your requests electronically (per instructions in the announcement letter) for small projects, and
4. Remain open to possibilities for a multi-agency approach.





Sadie Rodriguez-Hawkins
Assistant Director, OFM Accounting

Congratulations

Norm Johnson, OFM Statewide Accounting

Norm successfully coordinated the production of the state's Fiscal Year 2002 Statewide Federal Single Audit Report.

FY 2002 brought two significant changes:

- The shift of responsibility for publication of this document from the Office of the State Auditor to the Office of Financial Management, and
- New federal reporting requirements, which make the information more useful to federal agencies and the general public.

The Report, issued in March 2003, will be available for viewing in its entirety on our website effective April 1, 2003, at <http://www.ofm.wa.gov/accounting/financial.htm>

Comments from the Assistant Director

Sadie Rodriguez-Hawkins

It's definitely an unsettled time.

The following e-mail came from Wolfgang Opitz, OFM Deputy Director to all OFM employees on March 19, 2003. In these unsettled times, his message imparts concern, respect, and most importantly - a ray of hope.

By now I suspect many of you are watching the news more closely than usual. Many of you may be worrying about friends and relatives who could come into harms' way - a concern brought home with the tragic loss of Rachel Corrie. None of us know what may happen next in Southwest Asia, and we may also harbor our own fears about safety at home. It's definitely an unsettled time.

But today I'm thinking about the many good things we have around here. We've learned through earthquakes, budget crises, and the loss of close friends that we have each other to lean on. Through our many accomplishments we've learned that we have a lot to be proud of. And, we do jobs every day that make meaningful contributions to our communities.

As tensions rise around us we also have a chance to remind ourselves of a couple of things. At times we may not all agree with one another about what is happening - but we owe it to ourselves to keep our disagreements respectful. We may also be tempted to look askance at people from other cultures and backgrounds - but we will affirm our strength and resolve by not giving in to these temptations...

- Wolf

For those of us struggling to make sense out of current events, Wolf's words impart a strong reminder of the importance of respect in matters we do not understand, or may not agree with.

I trust that his words will continue to bring us hope during these unsettled times as we collectively yearn for peace in the world.

"There are no hopeless situations; there are only men who have grown hopeless about them."

- Clare Booth Luce

The Replacement Begins

We are designing a new allotment/appropriation system to replace both Allotment Preparation Systems (TAPS and APS), as well as various OFM appropriation and monitoring systems.

Our goal is to develop a single system that agencies, OFM, and the Legislature can use in documenting appropriations, building spending plans, submitting allotment plans, and reviewing and monitoring agency spending.

Why do We Need a New System?

- The current process is too time-consuming and labor-intensive.
- Often data must be re-keyed into multiple systems.
- Reliance on multiple databases creates barriers in sharing information among systems and users.
- Applications currently do not support real time processing and reporting and data is not readily accessible for analysis and research.

Project Vision

We are very excited about starting the first phase of this project: Gathering and defining the project vision, scope and requirements. We envision a new system that will:

- Effectively support the development of appropriation schedules and allotments and the management, reporting and monitoring needs of agencies, OFM, the Legislature and the public;
- Guide users through the process, making it easier for them to create and access the information needed and comply with the allotment instructions;
- Minimize staff time in low-value tasks, such as data entry and editing, while maximizing the time for the higher-value interpretation, planning, analysis and review functions of the process; and
- Be flexible enough to support changes in financial management policies.

You can help us in two ways:

- We have formed a customer group to assist us in identifying the requirements and design for the new system.

Don't miss this exciting opportunity to get involved on the ground floor. Even though we have had one meeting, it is not too late to join.

The next Customer Group meeting will be held in our Point Plaza West office 1st Floor Training Room on April 16 at 1:30 P.M.

- We are looking for a systems name that describes the functionality and also has a catchy acronym. Any suggestions will be greatly appreciated.

Please contact Sara Lieberman at sara.lieberman@ofm.wa.gov / 360 725-5263 if you would like to be included in customer discussions or if you have any ideas for a system name.

We're on the Right Track!

With the BSP1 Replacement System

The BASS Team recently held a demonstration of the much-anticipated *Salary Projection System* (SPS) that will replace BSP1. The demonstration was well attended and well received. It appears we are on the right track with our plans and design for the system.

Most of the attendees were excited about the new features that will be available in SPS. Many expressed a desire to use the system for developing staffing allotments for the 2003-05 Biennium.

Unfortunately, it is unlikely that it will be available in time to be used for this activity. Agencies should plan on using BPS1, or whatever salary projection tool they currently use, to develop the initial allotments for the 2003-05 Biennium.

We fully anticipate having SPS available in August 2003. This extra time will enable BASS to "*get it right the first time*," and provide the best possible quality product when SPS is released.

This change in implementation date has also necessitated a change in the training schedule. By waiting until the system is fully functional, we can provide "*just in time*" training, with instruction on all of the system's functionality.

New training dates will be available on the OFM training website as soon as they are determined. We will also send out a notification via the Listserv.

Vicki Rummig is available to answer questions and/or provide additional information on SPS. Please contact her at vicki.rummig@ofm.wa.gov.

Release 10

New From FASTRACK

Enterprise Reporting has been planning *Release 10* since January of 2003. The overall goals for this release are to:

- Provide a reliable and stable environment with the implementation of the new hardware architecture and data storage infrastructure,
- Maximize the integration effort between FASTRACK and FRIP, and
- Deliver additional features to our customers, while successfully preparing for reporting in the new biennium.

Activities Underway Since January

The team has been diligently working on the following behind-the-scenes projects:

- Additional hardware to improve performance,
- AFRS history file expansion to accommodate three new fields,
- Migration to a different data storage infrastructure to better support the on-going data growth,
- Server recovery plan update,
- Biennial roll, and
- Reducing staff maintenance effort to provide more direct benefits to our customers.

And, There's More to Come

In line with recent customer feedback, we plan to deliver as many of the following reports/features as possible by July 1, 2003:

- Expansion of multiple-input selection to all levels of account code hierarchy (e.g. sub program through task, sub project through project phase, etc.).
- Ability to use "Reject" criteria in making account code selection.

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Get Prepared for the End of the Bienium!

State Reporting

Now is a good time to start preparation for closing the 2001-2003 Biennium accounting records. We encourage you to take advantage of the training classes offered by OFM. Typically, the people who participated in these training classes had an easier time with the year-end crunch.

Classes

OFM offers three types of classes. You only need to take one, depending upon your level of involvement in closing the year.

Fiscal Year-End Update Class – 2-Hours

Intended for personnel who have previously prepared year-end adjusting entries and completed disclosure forms. Discussions will include fiscal year-end closing dates, an overview of fiscal year-end transaction codes and proper completion of disclosure forms.

Fiscal Year-End Workshop – 7 Hours

Intended for personnel who will be directly involved in preparing year-end accounting entries and/or disclosure forms. The focus of this workshop is on preparing reconciliations, adjusting entries and actual "hands-on" computer time completing disclosure forms.

Fiscal Year-End - Theory Class – 4 Hours

Intended for new personnel who will not play an active role in the year-end process, but would like to learn more about it. The focus of this class is on fiscal year-end policies and procedures.

For dates, locations and registration, please refer to the OFM Accounting Spring Training Catalog at <https://www2.wa.gov/ofm/training/training.asp>.

Disclosure Forms

MS Access 2000 (the disclosure form database) will be distributed to agencies in August.

While there have been many changes to the disclosure forms this year, the biggest changes are: 1) A separate disclosure form for transfer activity between all accounts, and 2) Major additions to the financial certification form, which the Chief Financial Officer and Agency Head are required to certify as true and correct.

Important CAFR Cut-Off Dates

<u>Date</u>	<u>Activity</u>
July 31	Phase I (Agency Accruals)
September 12	Phase II (Agency Adjustments)
September 19	State and Federal Disclosure Forms Due
October 10	Phase III (SAO Audit)

For additional information, please contact the Accounting Consultant assigned to your agency.

Federal Reporting*continued from previous page*

September 19, 2003 is the due date for submittal of FY 2003 federal financial information.

The reporting of FY 2003 expenditures of federal awards remains virtually unchanged from FY 2002. Minor changes may be made after the federal government publishes its annual update to the *Compliance Supplement* (anticipated later this Spring). State agencies and institutions will again be required to utilize the electronic reporting module provided by OFM.

Need training on completing the reporting requirements? No problem.

Federal Financial Assistance Workshops are scheduled for:

<u>Location</u>	<u>Date</u>
Olympia	May 13 & 20
Seattle	TBD
Spokane	TBD

To register and/or obtain a description of the *Federal Financial Assistance Workshop*, please refer to the OFM Accounting Spring Training Catalog at <https://www2.wa.gov/ofm/training/training.asp>.

If you have any questions regarding this workshop, please contact Norm Johnson at norm.johnson@ofm.wa.gov / (360) 664-7676.

IRS Classes – Calendar Year 2003

The following Internal Revenue Service (IRS) training classes will be available during Calendar Year 2003, with additional sessions scheduled to accommodate enrollments:

<u>Topic</u>	<u>Date</u>	<u>Location</u>
Taxable Fringe Benefits		
Higher Education Session:	April 15-16	Tacoma Community College
General Government Session:	June 12-13	Olympia
Federal & State Employer Tax Procedures	September 30	Olympia
Independent Contractor vs. Employee	April 30, October 7	Olympia
Forms 1098/1099 Reporting and Backup Withholding	May 14, October 8	Olympia

This training will provide attendees with the most current IRS/Social Security regulations on the noted subjects. Agency personnel who have federal reporting responsibility are encouraged to attend. On-line registration for these classes is available at our OFM website:

<http://www.ofm.wa.gov/training.htm>.

If enrollment assistance is needed, please contact our Training Line at 360-725-5280. Questions or suggestions regarding course content should be directed to Millie Lund at millie.lund@ofm.wa.gov / or 360-664-7678.

Release 10*continued from previous page*

- Additional flavors of the Encumbrance Report.
- A few more CAFR reports for the biennium close.
- Modification of the General Ledger Trial Balance Reports, to replace the "Net Activity" column with a debit and credit column.
- New project report containing project-to-date expenditure and revenue information.
- More flexible downloading capabilities.

Some reports and features developed for the DSHS Financial Reporting Improvement Project (FRIP) can also benefit our statewide customers. For example, the Flexible Report feature.

This report allows customers to define several different account code groupings, and subtotalling at various levels of account structure within a section.

They can also select additional custom sections and have the option of suppressing or displaying the standard sections.

Upcoming Pilot Project

We will be working with an agency to pilot a *Record Retention Program*. This program will help them migrate their AFRS monthly reports to FASTRACK.

Once this pilot is complete, we plan to leverage what we've learned from the experience to 1) further reduce the gap of the agency's unmet reporting needs, and 2) reduce costs to our statewide customers and OFM.

For additional information or questions, please contact Muoi Nguy at muoi.nguy@ofm.wa.gov / (360) 664-7699.



Who's New?

in Accounting



Sara Lieberman joined Statewide Financial Systems on February 3, 2003, as a BASS Team Product Manager. She is working on a new appropriation/allotment system that will replace APS, TAPS and various OFM systems.

Before joining OFM, Sara worked in the budget office of the Department of Revenue, where some of her duties included the development and monitoring of agency allotments.

Sara is a graduate of Western Washington University. In her spare time she enjoys many outdoor activities, including hiking and rock climbing. She is currently participating in a glacier climbing class in preparation for a climb of Mt. Hood in June. Sara also enjoys traveling and is planning a trip to Europe this fall.

Sara can be reached at sara.lieberman@ofm.wa.gov / 360-725-5263.



Pam Valencia (formerly Pam Hansen) joined Statewide Accounting on February 3, 2003, as a State Financial Consultant.

Prior to coming to OFM, Pam worked at the Department of Retirement Systems (DRS) where, among other duties, she was responsible for preparing the DRS Comprehensive Annual Financial Report.

Pam graduated from Pacific Lutheran University with a degree in Accounting. In addition to starting her new job at OFM, Pam was also recently married. She and Tim Valencia were married on March 8, 2003, at Walt Disney World in Florida.

Pam can be reached at pam.valencia@ofm.wa.gov / 360-664-7670.



Ché joined Small Agency Client Services on March 31, 2003, as a Financial Analyst 1.

Prior to joining OFM, Ché worked at the Department of Transportation where, among other duties, she did payroll accounting and assisted in budget preparation/monitoring.

In her spare time, Ché enjoys painting, dancing, writing and body building.

Ché can be reached at che@ofm.wa.gov / 360-664-7790.

New Strategies for a Safer Ride

SAAM Update

New statewide requirements aimed at mitigating the risk of 15-passenger van rollover accidents were issued in March 2003. These safety strategies focus on both the vehicle and the driver. Key changes include:

- Required documentation on safety education and training,
- Driver and supervisor signatures required on two new documents, and
- All 15-passenger van drivers must be a minimum of 18 years old.

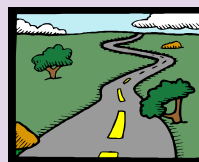
For full details, please refer to SAAM Subsection 70.40.32, Washington State Loss Prevention Requirements for Operation of 15-Passenger Vans <http://www.ofm.wa.gov/policy/70.40.htm>.

Additional information on loss prevention can be found on the OFM Risk Management Division website at <http://www.ofm.wa.gov/rmd/loss/passenger.htm>.

Questions should be directed to the Jolene Bellows, OFM Risk Management, at jolene.bellows@ofm.wa.gov / (360) 902-7321.



Here's the Scoop...



OFM is adopting a highway! Well, it won't really belong to us...but we're going to clean it anyway.

So, you'll see us on the roadside many times over the next two years. Be sure to "wave" as you pass by.

For more information, please contact our Project Coordinator, Ann-Marie Sweeten at ann.marie.sweeten@ofm.wa.gov / 360-902-0538.

A New Benchmark Project



On the Human Resource and Financial Business Process

Governor Locke's Proposed Biennial Budget for 2003-05 includes several strategies for reprioritizing and consolidating state government's "back office" functions.

One of those strategies is a "benchmarking initiative." The initiative is intended to establish high-level baseline measures of key agency human resource and financial business processes, and to compare those baseline measures with benchmarks for comparable processes.

The information gathered through the process would be used to identify:

- Current human resource and financial business processes that are overly complex or cumbersome,
- Missing or inadequate functionality in statewide information systems that support the human resource and financial business processes, and
- A quantifiable measure of the success of systems and process improvements.

As part of the process, we will also seek best practices from human resource and financial business processes in the public or private sector to use as benchmarks.

We plan to incorporate identified best practices in the design of the new civil service and collective bargaining systems.

This information will not be used for setting arbitrary funding or staffing reduction targets for agency administrative functions.

Documenting the baseline will provide current performance metrics, the ability to measure on-going improvements in existing finance business functions, as well as the new human resource rules and processes.

Comparing these business processes and services with world-class trends and emerging best practices will provide timely,

helpful advice on the "state" of our business processes.

It will also provide steps that can be taken to achieve both "quick hits" and long-term improvements in "back office" business processes.

The scope of the effort, the agencies to be included, and the schedule for the baseline study are still being finalized.

Agencies will be consulted about the information needed from them, and the conditions under which they would be willing to participate in the study.

For more information about the Benchmark Project, contact Kathy Rosmond at kathy.rosmond@ofm.wa.gov / 360-664-7771.

New TVS Features

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Something for Everyone

Fiscal Personnel have the ability to:

- Print or export a list of paid travel vouchers,
- Add comments to travel vouchers that have already been paid and submitted to AFRS, and
- Adjust the travel voucher payment and account coding amounts.

System Administrators can more easily create, locate and view travelers.

For additional information, please contact Owen Barbeau at owen.barbeau@ofm.wa.gov / (360) 664-7766.